

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

Joint Application of)	
)	
Robert L. Hart,)	WC Docket No. 18-_____
Transferor,)	
)	
and)	
)	
STEL-CO,)	
Transferee,)	
)	
For Consent to Transfer Control of the Domestic)	
Section 214 Authority Held by)	
Le-Ru Telephone Company and the)	
Domestic and International Section 214 Authority)	
Held by Le-Ru Long Distance Company)	
to STEL-CO, Pursuant to a Stock Purchase)	
Agreement)	
)	

**JOINT APPLICATION OF ROBERT L. HART, TRANSFEROR, AND STEL-CO,
TRANSFEE, FOR CONSENT TO TRANSFER CONTROL OF THE DOMESTIC
SECTION 214 AUTHORITY HELD BY LE-RU TELEPHONE COMPANY AND THE
DOMESTIC AND INTERNATIONAL SECTION 214 AUTHORITY HELD BY LE-RU
LONG DISTANCE COMPANY TO STEL-CO**

Pursuant to Section 214 of the Communications Act of 1934, as amended (the “Act”), 47 U.S.C. § 214, and Sections 63.01, 63.03, 63.04, 63.18, and 63.24 of the rules and regulations of the Federal Communications Commission (“FCC” or “Commission”), 47 C.F.R. §§ 63.01, 63.03, 63.04 and 63.24, Robert L. Hart (“Mr. Hart” or “Transferor”) and STEL-CO (“STEL-CO” or “Transferee”) (collectively, the “Applicants”) hereby request Commission consent for the transfer of control of the domestic Section 214 authority held by Le-Ru Telephone Company (“Le-Ru Telephone”), and the domestic and international Section 214 authority held by Le-Ru Telephone’s wholly-owned subsidiary, Le-Ru Long Distance Company (“Le-Ru LD” and collectively with Le-Ru Telephone, “Le-Ru”), to STEL-CO pursuant to a Stock Purchase

Agreement (“Agreement”). The transfer of control pursuant to the Agreement is hereinafter referred to as the transaction.

As required by Section 63.04(b) of the Commission’s rules, 47 C.F.R. § 63.04(b), Section V of this Joint Application provides the additional information required for the transfer of control of the authorizations used in the provision of domestic telecommunications services arising from the transaction. In Section IV of this Joint Application, the Applicants provide the information required by Sections 63.18 and 63.24 of the Commission’s rules, 47 C.F.R. §§ 63.18 and 63.24, for the transfer of the international Section 214 authorization.

The Applicants request expeditious approval of the transaction. The transaction will not result in a change of the terms and conditions of service to current Le-Ru Telephone or Le-Ru LD customers, and raises no competitive issues. Expeditious approval of the transaction will serve the public interest by allowing for increased operational efficiencies and by allowing customers to continue to receive services without interruption.

I. DESCRIPTION OF THE APPLICANTS

A. Robert L. Hart

Robert L. Hart is a U.S. Citizen and the President of Le-Ru Telephone and Le-Ru LD. Mr. Hart owns 84.21% of the stock of Le-Ru Telephone. Mr. Hart’s brother, James Hart, owns the remaining 15.79% of the stock of Le-Ru Telephone.

B. Le-Ru Telephone Company & Le-Ru Long Distance Company

Le-Ru Telephone is a rural telephone company and incumbent local exchange carrier (“ILEC”) with its headquarters in Stella, Missouri. Le-Ru Telephone provides local exchange service and DSL high-speed Internet services in the Stella and Powell exchanges in southwest Missouri. Le-Ru serves approximately 1,190 access lines. Le-Ru Telephone has elected to

receive Universal Service Fund (“USF”) support under the Alternative Connect America Cost Model (“A-CAM”).

Le-Ru Telephone offers resold long distances services through its wholly-owned subsidiary, Le-Ru LD, an interexchange service provider with its headquarters in Stella, Missouri.

C. STEL-CO

STEL-CO is a newly-formed corporation with its headquarters in Seneca, Missouri. STEL-CO is wholly owned by W. Jay Mitchell, who also is its President and Secretary. There are no other officers or directors of STEL-CO. STEL-CO has no other telecommunications operations.

Mr. Mitchell also owns controlling interests in other telecommunications companies that provide telephone and broadband services in Arkansas, Missouri and Oklahoma. Specifically, through various revocable trusts, Mr. Mitchell owns 50% of the stock of Seneca Telephone Company (“Seneca”), Goodman Telephone Company (“Goodman”), and Ozark Telephone Company (“Ozark”). Seneca provides local exchange service in southwest Missouri and eastern Oklahoma in the Seneca and Tiff City exchanges. Goodman provides local exchange service in southwest Missouri in the Goodman and Lanagan exchanges. Ozark provides local exchange service in southwest Missouri, eastern Oklahoma, and northwest Arkansas in the Noel and Southwest City exchanges. Seneca, Goodman, and Ozark collectively serve approximately 4,710 access lines.

Through a revocable trust, Mr. Mitchell also owns 50% of ARK-O Holding Company, a Missouri corporation, which in turn owns all of the common stock of Cleveland County Telephone Company (“Cleveland”), Decatur Telephone Company (“Decatur”), and Wyandotte Telephone Company (“Wyandotte”) which provide telephone and broadband services in

Arkansas and Oklahoma. Cleveland provides local exchange and broadband services in the Kingsland, Rison, and Rowell exchanges in southeast Arkansas. Decatur provides local exchange and broadband services in the Decatur exchange in northwest Arkansas. Wyandotte provides local exchange and broadband services in the Wyandotte exchange in eastern Oklahoma. Cleveland, Decatur and Wyandotte collectively serve approximately 2,654 access lines.

Seneca, Goodman, Ozark, Cleveland, Decatur and Wyandotte are collectively referred to as the “ARK-O Operating Companies.” The ARK-O Operating Companies have not elected to receive A-CAM support and continue to receive USF support based on their own embedded costs, *i.e.*, are cost-based support companies.

Mr. Mitchell also owns 50% of S-GO Leasing Company d/b/a S-GO Long Distance and d/b/a SGO Broadband, a corporation organized under the laws of the state of Missouri (“S-GO LD”). S-GO LD provides resold long distances services to the customers of the local exchange operating companies and also provides broadband services for the customers of Seneca, Goodman and Ozark.

II. DESCRIPTION OF THE TRANSACTION

Applicants have entered into an Agreement, dated as of September 14, 2018, pursuant to which STEL-CO will acquire all of the stock of Le-Ru Telephone from Robert and James Hart. STEL-CO will then own 100% of the stock of Le-Ru Telephone and indirectly will own 100% of the stock of Le-Ru LD. The transaction will not result in a change to the terms and conditions of service pursuant to which to Le-Ru provides service to its customers.

III. PUBLIC INTEREST STATEMENT

Approval of the transaction will serve the public interest, convenience, and necessity. A grant will permit the continued, uninterrupted provision of high-quality service to customers.

The consummation of the transaction and transfer of control of the service provided by Le-Ru will not result in an interruption, reduction, loss or impairment of services to any subscriber, and the Applicants are not aware of any harms to customers or to the market that will result from the consummation of the transaction. Le-Ru is a small telephone company and will benefit from greater operational and administrative efficiencies as a result of the transaction and the acquisition by STEL-CO.

Since Le-Ru has elected to receive A-CAM support, and the ARK-O Operating Companies are cost-based support companies, STEL-CO anticipates that approval of the transaction may be subject to the imposition of the condition adopted in the *Hargray/ComSouth Order*.¹ That is, for a period of seven (7) years, the “operating expense” of the ARK-O Operating Companies may be capped at the average combined operating expense of the three calendar years preceding the transaction closing date (as adjusted for inflation based on the United States Department of Commerce’s Gross Domestic Product – Chain Price Index), with “operating expense” including “maintenance, network support/network operations/general, benefits, rent expenses, and corporate operations,” but excluding depreciation, return on investment, and taxes;² and, STEL-CO may be required to certify compliance annually and submit financial statements.³ If the Commission imposes such a condition, STEL-CO requests that the condition reflect that if the financial statements of any operating company are not otherwise required to be audited, and are not audited in the ordinary course of business, that STEL-CO and such operating

¹ *Joint Application of W. Mansfield Jennings Limited Partnership and Hargray Communications Group, Inc., for Consent to the Transfer of Control of ComSouth Corporation Pursuant to Section 214 of the Communications Act of 1934*, WC Docket 18-52, Memorandum Opinion and Order, FCC 18-62, at ¶¶ 26-31 (rel. May 11, 2018) (*Hargray/ComSouth Order*).

² *Id.* at ¶ 28.

³ *Id.* at ¶ 31.

company may submit reviewed financial statements in satisfaction of the *Hargray* condition, rather than audited financial statements, consistent with the *Hargray/ComSouth Order*⁴ and FCC Rule 54.313(f)(2)(iii), 47 C.F.R. § 54.313(f)(2)(iii), and the instructions to the FCC Form 481.

IV. INFORMATION REGARDING THE TRANSFER OF DOMESTIC AND INTERNATIONAL SECTION 214 AUTHORIZATIONS

In support of this Joint Application, the Applicants submit the following information pursuant to Section 63.24(e) of the Commission's rules, include the information requested in Section 63.18(a)-(d) and (h)-(p), 47 C.F.R. §§ 63.18(a)-(d), (h)-(p), 63.24(e):

§ 63.18(a) Name, address, and telephone number of each applicant.

Transferor:

Robert L. Hart
555 Carter Street
P.O. Box 147
Stella, MO 64867
Phone: (417) 628-3844
Attention: Robert L. Hart
FRN: 0027902659

Transferee:

STEL-CO
5356 Walnut Drive
Joplin, MO 64804
Phone: (417) 628-6000
Attention: W. Jay Mitchell
FRN: 0027895556

Authorization Holders:

Le-Ru Telephone Company
555 Carter Street
Stella, MO 64867
FRN: 0002490472

Le-Ru Long Distance Company
555 Carter Street

⁴ *See id.* at note 82 (“If Hargray does not maintain audited financial statements in the ordinary course of business, it may submit financial statements that meet the requirements of Form 481.”).

Stella, MO 64867
FRN: 0004965976

§ 63.18(b) State under the laws of which each applicant is organized.

STEL-CO is a corporation organized under the laws of Missouri.

W. Jay Mitchell is a U.S. citizen.

Robert L. Hart is a U.S. citizen.

Le-Ru Telephone and Le-Ru LD are corporations organized under the laws of Missouri.

ANSWER TO QUESTION 10 IN THE INTERNATIONAL SECTION 214 AUTHORIZATION
TRANSFER APPLICATION FORM -- §§ 63.18(c) and (d)

§ 63.18(c) Name, title, address, and telephone number of an officer for each applicant and legal counsel.

Transferor:

Robert L. Hart
President
Le-Ru Telephone & Le-Ru Long Distance Company
555 Carter Street
P.O. Box 147
Stella, MO 64867
Phone: (417) 628-3844
E-mail: hartb@leru.net

Transferee:

W. Jay Mitchell
President
STEL-CO
5356 Walnut Drive
Joplin, MO 63804
Phone: (417) 628-6000
E-mail: jaybird61@sgobroadband.com

Legal Counsel to All Applicants (to whom correspondence should be addressed):

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Bethesda, MD 20817
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E-mail: greg@hermanwhiteaker.com and
moconor@hermanwhiteaker.com

§ 63.18(d) Statement about previous international Section 214 authorizations for each applicant.

Le-Ru LD holds an international Section 214 authorization, File No. ITC-214-20010607-00328.

STEL-CO has not previously been granted international Section 214 authorization.

SGO Leasing Company d/b/a S-GO Long Distance holds an international Section 214 authority, File No. ITC-214-20050426-00160.

ANSWER TO QUESTION 11 IN THE INTERNATIONAL SECTION 214 AUTHORIZATION TRANSFER APPLICATION FORM -- § 63.18(h)

§ 63.18(h) Disclosable Interest Holders in STEL-CO.

The ten percent or greater interest holders in STEL-CO are:

W. Jay Mitchell
President
5356 Walnut Drive
Joplin, MO 63804
U.S. Citizen
100% Ownership Interest

ANSWER TO QUESTION 12 IN THE INTERNATIONAL SECTION 214 AUTHORIZATION TRANSFER APPLICATION FORM -- § 63.18(h)

§ 63.18(h) Interlocking Directorates with Foreign Carriers for STEL-CO

There are no interlocking directorates with a foreign carrier.

ANSWER TO QUESTION 13 IN THE INTERNATIONAL SECTION 214 AUTHORIZATION TRANSFER APPLICATION FORM -- § 63.24(e)

See Section II of this Joint Application, above, for a narrative of the transaction. See Section III of this Joint Application, above, for the public interest statement.

ANSWER TO QUESTION 20 IN THE INTERNATIONAL SECTION 214 AUTHORIZATION TRANSFER APPLICATION FORM -- § 63.18(p)

§ 63.18(p) Statement Regarding Streamlined Processing.

This application for transfer of control of international Section 214 authority qualifies for streamlined processing pursuant to Section 63.12 of the Commission's rules, 47 C.F.R. § 63.12, because STEL-CO is not affiliated with any foreign or dominant U.S. carrier whose international switched or private line services STEL-CO seeks authority to resell, and STEL-CO does not provide and does not request authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized the provision of switched services over private lines.

V. INFORMATION REGARDING TRANSFER OF CONTROL OF DOMESTIC SECTION 214 AUTHORITY

In support of this Joint Application and in accordance with the requirements of the Commission's rule Section 63.04(b), 47 C.F.R. § 63.04(b), the Applicants submit the following additional information:

§ 63.04(a)(6) Description of the Transaction.

The Applicants describe the transaction in Section II of this Joint Application.

§ 63.04(a)(7) Geographic Areas Served and Services Provided.

The Applicants describe the geographic areas in which they offer domestic telecommunications services and the services that are provided in each area in Section I of this Joint Application.

§ 63.04(a)(8) Statement Regarding Streamlined Treatment.

The Applicants do not qualify for presumptive streamlined processing pursuant to Section 63.03(b) because Goodman, an affiliate of STEL-CO, is an incumbent local exchange carrier that provides service in a service area adjacent to that of Le Ru Telephone.⁵ The

⁵ As noted above, Goodman provides local exchange service in the Goodman exchange in Missouri, which is adjacent to the Stella exchange in Missouri, where Le-Ru Telephone provides services. A map depicting the adjacency is attached as Attachment 1.

Applicants, however, request expeditious approval of the transfer of control of Le-Ru Telephone's and Le-Ru LD's domestic Section 214 authorizations. Le-Ru is a small, rural telephone company. Expeditiously approving the proposed transaction will allow for greater efficiencies and will serve the public interest by allowing customers to continue to receive services without interruption.

But for the limited adjacency, which has no competitive significance, the Applicants would qualify for streamlined processing. Notably, the transaction will result in STEL-CO having a market share in the interstate, interexchange market of less than ten (10) percent, and STEL-CO does not provide competitive telephone exchange services or exchange access services; and, the Applicants (or their affiliates) are ILECs that have, in combination, fewer than two (2) percent of the nation's subscriber lines installed in the aggregate nationwide.

§ 63.04(a)(9) Other Related Commission Applications.

The Applicants will submit no other Commission applications related to this transaction.

§ 63.04(a)(10) Statement Regarding Special Consideration.

The Applicants do not request special consideration because no party to the transaction is facing imminent business failure.

§ 63.04(a)(11) Identification of Waiver Requests.

The Applicants will not seek a waiver in conjunction with the transaction.

§ 63.04(a)(12) Public Interest Statement.

The Applicants provide a statement showing how the grant of this application will serve the public interest, convenience, and necessity in Section III of this Joint Application.

[remainder intentionally left blank]

VI. CONCLUSION

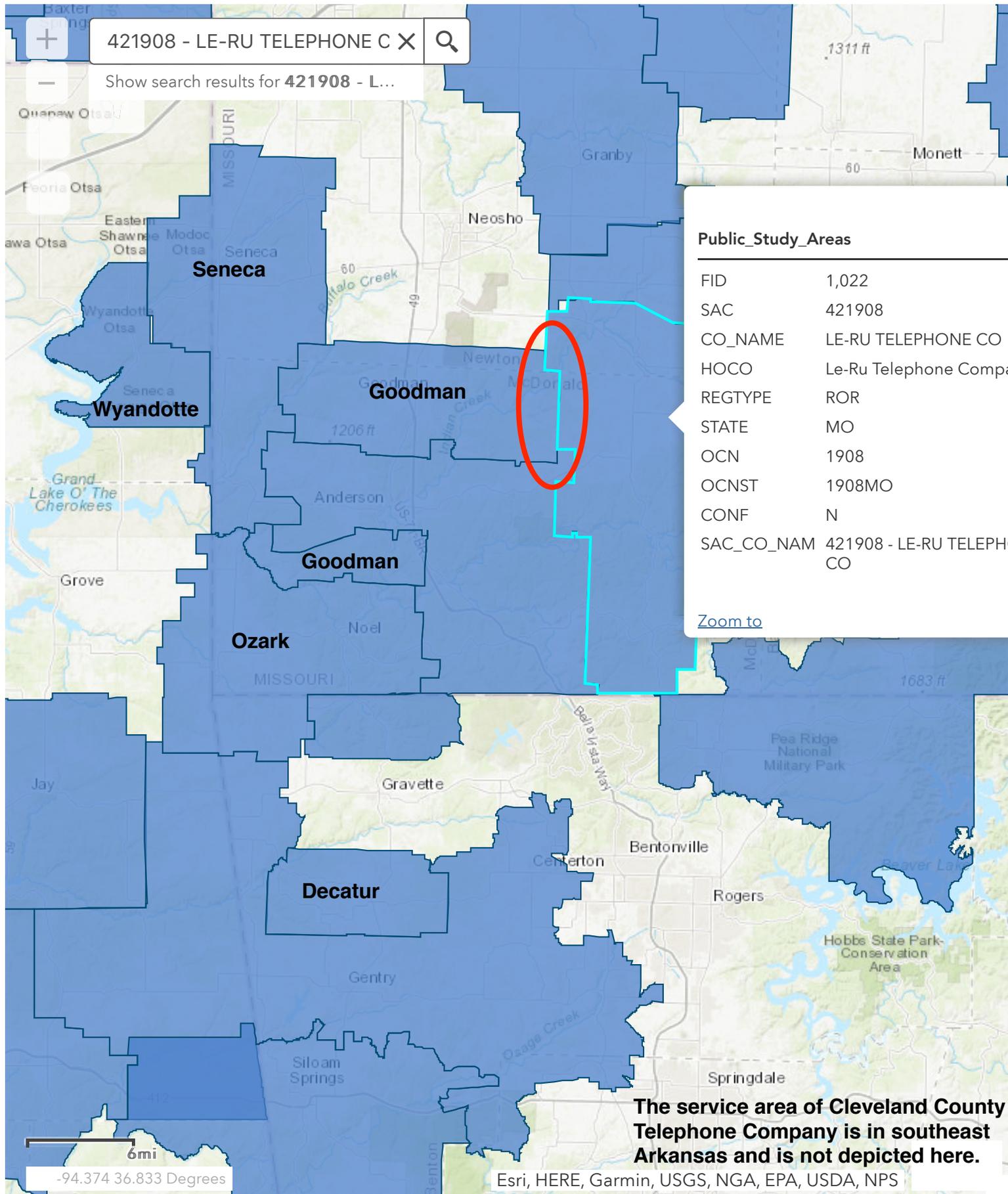
Based on the foregoing, the Applicants respectfully request that the Commission expeditiously grant this Joint Application and consent to the transfer of control of Le-Ru Telephone's domestic Section 214 authorization and Le-Ru LD's domestic and international Section 214 authorizations to STEL-CO.

Respectfully submitted,



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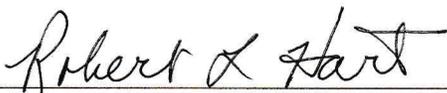
Dated: November 13, 2018



DECLARATION OF ROBERT L. HART

I, Robert L. Hart, declare, under penalty of perjury:

1. I am the President of Le-Ru Telephone Company (“Le-Ru Telephone”) and Le-Ru Long Distance Company (“Le-Ru LD”).
2. I have read the foregoing Joint Application requesting that the Federal Communications Commission (the “Commission”) consent to transfer of control of the domestic Section 214 authority held by Le-Ru Telephone and the domestic and international Section 214 authority held by Le-Ru LD to STEL-CO.
3. The statements stated in the Joint Application, with respect to Le-Ru Telephone and Le-Ru LD are true and accurate to the best of my information, knowledge, and belief.



Robert L. Hart

Dated: November 13, 2018

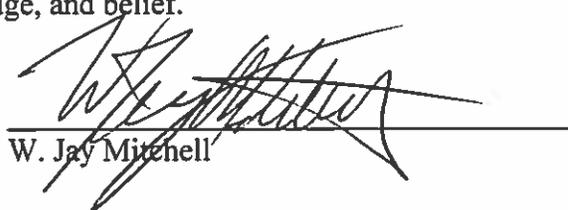
DECLARATION OF W. JAY MITCHELL

I, W. Jay Mitchell, declare, under penalty of perjury:

1. I am the President of STEL-CO.

2. I have read the foregoing Joint Application requesting that the Federal Communications Commission (the "Commission") consent to transfer of control of the domestic Section 214 authority held by Le-Ru Telephone Company and the domestic and international Section 214 authority held by Le-Ru Long Distance Company to STEL-CO.

3. The statements stated in the Joint Application, with respect to STEL-CO are true and accurate to the best of my information, knowledge, and belief.


W. Jay Mitchell

Dated: October 31, 2018